



PEOPLE

For IDOT's Staff, Professionalism Is the Key to Success

The Illinois Department of Transportation has a long tradition of professionalism and achievement, and IDOT staff has a lot riding on the successes or failures it either enjoys or endures. At IDOT, staff typically exhibits the kind of personal pride that often spells the positive difference between failure and success. The culture at IDOT insists that failure is not an option, and when the chips are down, staff consistently rises to the occasion.

Never has this attitude been more apparent than in the early 21st century as nationwide budget constraints and increasing demand for accountability have combined to add unprecedented program and service delivery pressures to a rapidly decreasing staff. IDOT has reduced staff numbers by more than 20 percent, more than 1,500 workers, since 2002 while continuing to deliver on its annual program promises.

The Department has worked through staffing concerns to date by focusing on improved process efficiencies, improved program coordination, improved training, improved strategic planning, improved communications, more effective use of outside contractors, improved contract and procurement management, and more.

But mainly, the gains made at IDOT despite continuing budget constraints point directly to the willingness and abilities of key staff to take on additional workloads, learn additional skills, and produce additional value for IDOT's customers – the business and leisure travelers who rely on Illinois' vast array of safe, cost-effective transportation options.

As a result, every single man and woman who proudly exclaims they work for IDOT will tell you that they do much more than their job titles require. This reflects the traditional can-do attitude and staff support that keeps IDOT successful and prepared to deliver needed transportation services. At IDOT, it all starts with a dedicated, knowledgeable and professional staff.

FISCAL OVERVIEW

The IDOT highway programs are supported primarily by three major revenue sources: two state tax sources and federal aid.

State Revenues. One state source is the Motor Fuel Tax (MFT) with a current rate of 19 cents per gallon on motor fuel consumed on the highways plus an additional 2.5 cents per gallon for diesel. The other is motor vehicle registration (MVR) fees that vary according to vehicle type and weight. The state shares MFT revenue with local governments for use on their road systems, distributing more than 54 percent of net revenue to local agencies. This amounts to about 25 percent of all state source revenue for highways being distributed to local governments.

The characteristic common to both major state revenue sources is that the tax base does not tend to grow in parallel with inflation even in the best of years because the tax is based on gallons purchased, not dollars spent. In recent years, improving auto fuel efficiencies coupled with fluctuating prices and demand for gasoline, has caused the tax base to shrink. In FY 2009, for instance, a 3 percent decline in motor fuel consumption is anticipated, following a 1.8 percent decline in FY 2008.

Although auto and truck travel had steadily increased until the dramatic fuel price swings of 2007 through 2008, the effect on fuel consumption has been significantly offset by increased fuel efficiency. At the same time, Illinois' mature economy and slowly growing population are not adding significant numbers of vehicles to the existing fleet. Since neither the fuel tax nor registration fees are based on price or value, inflation does not cause tax revenues to grow. As a result of these factors, the major revenue sources for highway programs do not grow sufficiently to keep up with inflation-driven costs.

Federal Revenues. The third major source is federal aid, supported by the federal Highway Trust Fund (HTF). Although there are several taxes supporting this fund, the main one is the federal motor fuel tax. This tax, like the Illinois tax, is applied in cents per gallon and is subject to the same slow-growth trends. In the past, federal expenditures from the HTF have been artificially constrained in an effort to reduce the federal budget deficit. The current multi-year authorization bill (SAFETEA-LU) is designed to distribute all available money to the states. While the SAFETEA-LU legislation raised federal highway funding to Illinois significantly, the increase still fell far short of the amount needed to keep up with the level of deterioration of Illinois' highways and bridges. Further it failed to address the need to upgrade facilities, expand capacity, and develop new four-lane highways in under-served corridors.

It is important to note that in Federal Fiscal Year 2008, the HTF required an infusion of \$8 billion from the General Fund of the U.S. Treasury to meet the HTF's ongoing funding obligations, and that an even larger infusion may be needed before the end of Federal Fiscal Year 2009 for the same reason. Federal Fiscal Year 2009 (Oct. 1, 2008 to Sept. 30, 2009) is the last year of the SAFETEA-LU funding authorization, and Congress has not yet taken up the issue of the next multi-year authorization bill, a process typically referred to as "reauthorization."

Illinois is one of only a handful of states that charge sales tax on motor fuel. Financing legislation in 1979 directed a percentage of sales tax revenue, estimated to be equal to that raised from motor fuel, to highways funding. Legislation following in subsequent years gradually reduced the percentage until Illinois FIRST eliminated it.

Because of inadequate tax base growth, periodic fuel tax rate increases have been necessary to provide enough revenue to maintain an acceptable investment level. The last time that the MFT was increased was in FY 1990. The last increase of any type for transportation funding was a part of Illinois FIRST in FY 2000. Motor vehicle registration fees were raised by \$30 for cars and pickups and by 25 percent for most other vehicles and transactions. The title fee was raised from \$13 to \$65. The limit on Road Fund appropriations for other agencies, first established in the FY 1990 legislation, was reduced further for the Secretary of State and freed up more money for construction. In addition, \$2 billion in highway bonds were authorized, to be appropriated over the FY 2000-04 five-year program. All of this funding allowed a then-estimated \$10.5 billion program over FY 2000-04, a \$3.7 billion increase over the five-year program that could be afforded without Illinois FIRST.

After Illinois FIRST was passed, a number of actions were taken that reduced the amount of resources that were originally intended to be available for the highway programs. In 2007, the State enacted a "Special Corrected Title Fee" of \$15 (instead of \$65) for certificates of title issued for name changes due to death, divorce or marriage. The legislation, however, was silent on how this money was to be distributed. Rather than following the original schedule of reduced funding, the Road Fund appropriation for the Secretary of State has been restored to its pre-Illinois FIRST funding levels (\$130.5 million currently from the scheduled \$30.5 million). In addition, the Road Fund support for State Police, has now more than doubled to over \$114 million per year.

The following pages describe various aspects of highway funding:

- Road Fund, Construction Fund. A definition of each separate fund.

- Combined Road and Construction Funds. A discussion of the major revenue and expenditure categories comprised by those two funds.
- Motor Fuel Tax. A brief history and description of the Motor Fuel Tax.
- Motor Vehicle Registration Revenue. A summary of the many vehicle fees, a discussion of the fees on trucks, and a brief discussion on the predictability of revenue.
- Highway Bonds. A discussion on the use of General Obligation bonds for highways.
- Funding the Highway Construction Program. A summary of the underlying principles used to determine the amount that can be spent on the highway program.
- Changes to the Road Fund Diversion Statute.

ROAD FUND, CONSTRUCTION FUND

IDOT has two funds that support most of the highway programs. (The third, Series A Bond Fund is discussed later.) The Road Fund is the fund that IDOT has used throughout its history to support highway construction, maintenance, and related operations. The 1983 tax increase legislation created the Construction Fund (technically, the State Construction Account Fund) and directed all revenue from the tax increases into that fund. The Construction Fund can only be used for contract construction on the state-maintained system. There was a concern in 1983 that without such an arrangement, there was no assurance that all of the increased revenue would go to construction. This concern faded by 1989 so that the General Assembly directed all of the revenue from the 1989 tax increase into the Road Fund, even though the tax increase was solely for increased construction. However, the Illinois FIRST legislation in 1999 directed the existing proportional shares of revenue to both funds. The department was not willing to risk controversy over weakening or eliminating the Construction Fund, since its existence gives an appearance to some of a priority for construction. Managing two funds has been a problem because of the doubling of the number of separate appropriation lines and seasonal cash flow differences that would not exist with just one Road Fund. Two funds are not needed for accountability of highway user fees or to maximize highway construction and repair; they are a holdover from the 1983 tax package.

In the event of cash flow problems in the Construction Fund, State law provides for the Governor to order a temporary transfer of up to \$35 million from the Road Fund to be repaid by the end of the fiscal year. There is no reciprocal provision allowing for the transfer of money from the Construction Fund in the event of cash flow problems in the Road Fund. The department attempted to establish such a two-way mechanism and increase the amount to \$100 million, but that proposal was rejected.

Road Fund

In FY 2008, the Road Fund received \$2,570 million in revenues, spent \$2,602 million and ended the year with a balance of \$387 million. The fund is estimated to average revenues totaling \$2,717 million and spending of \$2,749 million per year in FY 2009-2014. The fund's ending balance is projected to be about \$197 million in FY 2014.

The Road Fund's primary revenues come from motor fuel taxes, motor vehicle registration fees, and federal reimbursement. Other revenue sources include reimbursements from local governments, interest earned on fund balances, and miscellaneous fees. By law, all reimbursements are deposited in the Road Fund regardless of the fund in which the reimbursed spending occurred. This practice has been questioned by outside parties in the past, but is necessary to ensure the financial viability of the Road Fund. Any type of spending authorized by IDOT's enabling statutes for highways or its associated support costs can occur in the Road Fund. This includes paying for any construction on the state or local highway system, debt service, IDOT operations, grants and highway safety spending. The law also allows spending for the Secretary of State to administer the Motor Vehicle Code and for a portion of the Department of State Police. Central Management Services also bills the Road Fund for Workers' Compensation Fund and Professional Services Fund expenses. Employer Group Insurance contributions for Road Fund-supported employees are appropriated to the Department of Healthcare and Family Services.

Construction Fund

In FY 2008, the Construction Fund received \$761 million in revenues, spent \$548 million and ended the year with a balance of \$414 million. The fund is estimated to average revenues totaling \$735 million and spending of \$770 million per year in FY 2009-2014. The fund's ending balance is projected to be \$204 million in FY 2014.

The Construction Fund's revenues come from motor vehicle registration fees, motor fuel taxes, the diesel differential, and interest earned on fund balances. The diesel differential is an additional 2.5 cent per gallon tax on diesel fuel above the base tax rate. It was imposed in 1983 along with higher registration fees on larger trucks to defray extra costs from allowing 80,000 lb. trucks on Illinois highways. The only type of spending allowed in the Construction Fund is for highway construction on the state highway system. IDOT may not use this fund to pay for a project on the local highway system or any other type of expenditure and cannot use it for debt service on highway bonds, nor contractual or regular Department employees.

COMBINED ROAD AND CONSTRUCTION FUNDS

The combined Road and Construction Funds make up IDOT's primary fiscal perspective. The combined funds perspective is necessary for financial planning and is what the Comptroller uses when discussing IDOT finances (by referring to the "Road Funds"). However, it is always important to note that the combined funds consist of two separate funds. Each fund requires cash for balances and extra administrative effort. In FY 2008, the combined funds received \$3,331 million in revenues, spent \$3,150 million and ended the year with a combined balance of \$801 million. The funds are estimated to average revenues of \$3,452 million and spending of \$3,519 million per year in FY 2009-14. The funds' projected ending balance in FY 2014 is \$401 million.

The combined funds' primary revenue sources are motor fuel taxes, motor vehicle registration fees, and federal reimbursement. Other revenue sources include reimbursements from local governments, interest earned on fund balances, and miscellaneous fees. Shown below is a table showing the combined funds' projected revenues and expenditures.

Combined Funds Revenues and Expenditures (\$ in millions)

	FY2008	% of Total	Projected FY2009-14 Annual Average	% of Total
REVENUES				
MFT	579	17%	552	16%
MVR	1,337	40%	1,361	39%
Federal Aid	1,257	38%	1,359	39%
Other	159	5%	180	5%
Total	3,332		3,452	
EXPENDITURES				
Construction	1,715	55%	1,905	54%
IDOT Operations	655	21%	784	22%
Other Departments	408	13%	456	13%
Debt Service	260	8%	248	7%
Other	99	3%	111	3%
Total	3,136		3,504	

Highway construction spending makes up more than half of all spending in the combined funds. Other departments' spending includes the Secretary of State, State Police, and group insurance. Limits on the Road Fund appropriation for Secretary of State and State Police were important components of the 1989 transportation financing legislation. The Illinois FIRST financing legislation further reduced the limit for the Secretary of State, and the General Revenue Fund (GRF) supported the budget amount over the limit. However, budget shortfalls in the General Revenue Fund beginning in FY 2003 resulted in continuing increased Road Fund appropriations to the Secretary of State and the Department of State Police. Other spending includes grants for highway safety programs, local maintenance agreements, metropolitan planning, and other various items. Debt service expense reflects an anticipated \$1.6 billion, Road Fund-supported bond program assumed to begin in FY 2010 (which would require substantive legislation—i.e., a capital bill).

MOTOR FUEL TAX (MFT)

The Illinois MFT was first established in 1929 at 3 cents per gallon. It has been raised periodically and was 19 cents as of Jan. 1, 1990, with an additional 2.5 cents for diesel. In theory, the MFT is a highway user fee since the amount of fee paid increases with travel. Because the vehicle fleet has a wide range of fuel efficiencies, some motorists pay less than others for the same amount of travel. Despite this imperfection in theory, the principle of paying for the highway system with revenues collected from users is widely accepted.

Unlike revenues from the income and sales taxes, MFT revenues do not grow with inflation because the tax is based upon consumption of fuel and not the value of retail transactions. Thus, if the price of fuel rises, tax revenues will not rise with it and could even fall if the price rises high enough to reduce consumption.

Fuel consumption and revenues from the MFT rose steadily for decades after its imposition, allowing rate increases to be few and far between. But the Arab oil embargo of 1973 and the large oil price increases in 1979 and 1980 changed this longstanding trend. The high price of fuel and fuel efficiency standards mandated by Congress caused motorists to buy more fuel efficient vehicles, which allowed more travel on less fuel. At the same time high inflation eroded the value of MFT revenue. Thus, tax rate increases were necessary to maintain the investment level in the highway system. The trend of ever-increasing fuel efficiency slowed in the 1990s, so fuel consumption and MFT revenue more closely reflect increases in travel, generally only 1.5 percent to 2 percent a year during the past decade.

Illinois shares MFT revenue with local governments and limits the use of the money to build and to maintain the

local road and street system. The amount shared has been a matter of debate every time a tax increase has been discussed. In 1989 and in the deliberations preceding Illinois FIRST, IDOT promised to seek legislation that would equalize the percentage increase in revenues between IDOT and local governments. The 1989 legislation included equal revenue growth for locals, but the General Assembly approved local revenue growth in the Illinois FIRST legislation that was less than IDOT's. Because registration fees were the only fee increases in Illinois FIRST and are not shared with local governments, the MFT revenue distribution to locals was increased as a part of the overall program. The local share went from 41.6 percent to 54.4 percent (which meant dropping the department's share from 58.4 percent to 45.6 percent). Local governments since 1999 have received more than half of MFT revenue for the first time since 1983.

The recent spike in fuel prices to over \$4 per gallon on both gasoline and diesel fuel caused a drop in motor fuel consumption in Illinois and throughout the nation starting in 2008. This surge in prices has been followed by a collapse in prices due to a rapidly weakening economy and lower demand. In recognition of these events and based on economic forecasts from Global Insight, the department is now anticipating an overall 3 percent decline in motor fuel consumption in 2009 and, essentially, no revenue growth from the MFT for the remainder of the Multi-Year Program (through FY 2015).

MOTOR VEHICLE REGISTRATION (MVR) FEES

Annual registration fees for vehicles are the "second structure" of highway user fees, with the MFT being the first. In theory, registration fees are charged for access to the highway system regardless of use. They are generally called user fees because they are fees on users of highways. The principle of dedicating the revenue to highways has been long established and is widely accepted.

The amount of the fee charged depends upon the vehicle. Fees range from \$38 a year for a motorcycle to \$2,790 for the heaviest truck allowed. Fees for autos and pickup-trucks, which are the most numerous registrations, are \$78 a year. Heavier trucks have a wide range of fees and alternatives. There are 15 weight categories above the 8,000 lb. limit for pickups, most in 4,000 to 5,000 lb. increments but with several exceptions. The fees are progressively higher for each weight class. There is a separate fee schedule for farm trucks, with fees of roughly one-half to two-thirds of the regular schedule. Interstate carriers, whether based in Illinois or elsewhere, register to operate in Illinois under the International Registration Plan (IRP). Carriers pay each state's registration fee for their entire fleet in proportion to their miles driven in each state. There are other special truck registration categories to accommodate special equipment or very low mileage vehicles.

Illinois FIRST in 1999 raised registration and title fees, the only source of increased revenue for highways. Autos and pickup trucks were increased to \$78; most other vehicle and transaction fees were raised by approximately 25 percent; and title fees were raised by \$52. The last time registration fees had been raised was in 1983. Revenue from these increases replaced for IDOT the MFT revenue that was redirected to local governments from IDOT (described above), offset the loss of the Sales Tax transfer to the MFT Fund, and an increase in transfers to the Grade Crossing Protection Fund, paid the higher debt service from the increased highway bonds, and financed the non-bond portion of the increased construction program.

Illinois' fees on heavy trucks are high compared to other states. As axle weights and gross vehicle weights rise, pavement stress rises geometrically. Because fuel consumption (and thus MFT revenue) does not rise as fast, Illinois uses registration fees to help collect revenue in proportion to extra costs caused by trucks. Relatively high fees on heavy trucks have made it politically more difficult to raise the fees but probably have not contributed to an exodus of trucking firms. Illinois' overall tax climate, large economy, and location have all been inducements to trucking firms to stay in Illinois. Since under IRP interstate carriers would pay about the same in registration fees to Illinois regardless of where they are officially based, other factors are more important in deciding a firm's location.

The nature of MVR revenue makes the revenue level fairly stable from year to year. In economic downturns, people will still renew the registration on their auto or pickup even if they will be driving less than in times of economic growth. Trucks are more sensitive to economic cycles, since large carriers may idle vehicles if shipping orders decline. Illinois' mature economy and slowly growing population will not provide significant growth in the number of registrations. Therefore, revenue will not grow significantly without fee increases.

After the enactment of the MVR fee increase for Illinois FIRST, two major developments have occurred in the Illinois MVR fee structure. In 2003, a series of fee increases were enacted with all the additional money going to the General Revenue Fund. This included a surcharge on large truck registrations, increases in dealer fees and driver's license reinstatement fees, the creation of a new personalized plate fee (as opposed to the existing vanity plate fee), and the institution of a \$20 late registration filing fee. As noted earlier, the \$65 certificate of title fee for corrected titles due to name changes resulting from death, divorce or marriage was reduced to \$15 in 2008. In addition, a \$1 increase in passenger vehicle registration fees was recently enacted to fund a vehicle purchase program for State Police.

SERIES A BONDS

General Obligation bonds for highways were first authorized by the General Assembly in 1971 under the new state Constitution that eased requirements for bonds. Bond authorizations have been raised five times since then. The last four authorization increases in 1979, 1983, 1989, and 1999 (Illinois FIRST) were associated with an increase in revenue supporting state highways. Raising revenues when increasing bond authorizations recognizes that bonds are not free cash and that revenues must be provided for repayment and interest.

Bond authorizations have been an important component of each revenue initiative since 1979. They have allowed larger construction programs than what would have been possible with just new revenue alone and so made the whole package more viable. The bond increase of \$2 billion as part of Illinois FIRST was the largest single increase for highways in history. It was 19 percent of the \$10.5 billion five-year program of but was more than half of the program increment made possible by Illinois FIRST. Bond authorizations for highways are made to support several years of annual appropriations. The last new bond appropriation was made in FY 2004, the last year of the five-year Illinois FIRST program.

There are three main reasons for the use of bond financing. One is to reduce construction costs of a project by building now with bonds instead of later as revenues become available but at higher costs from inflation. Another reason is that the cost of long-lived capital projects (as evidenced by debt service payments) are matched to benefits of a project over the same period. Third, these advantages must be balanced against selling so many bonds that debt service becomes such a large proportion of revenues that operations and capital programs are severely impacted.

There are some problems with the use of bonds. Each bond project must be released by the Governor's Office, with the Office of Management and Budget's recommendation, before IDOT can award a contract to the low bidder. Highway bonds are a part of the state's general obligation bond program and have to fit within its overall goals, individual bond sale strategies, and recently enacted restrictions on how bonds shall be issued. These considerations have sometimes resulted in delays of implementation of bond-funded projects or in cash shortages in the bond fund that pays contractors for completed work.

Bonds had been sold three or four times a year to raise cash in order to meet estimated spending before the next bond sale. More recently, only one or two sales per year have been done.

The bond market, i.e. those who buy Illinois state bonds, insists that long-term bonds be used only for long-term projects. This is to help ensure continued willingness of the state to re-pay the bonds plus interest 20 to 25 years after issue. The Office of Management and Budget and the Governor enforce bondability guidelines through the project release process. Because the greatest portion of the state's highway construction program is dedicated to maintaining the existing system, long-life projects that meet bondability guidelines are sometimes difficult to identify. For this reason, it is important that projects identified as eligible for bond funding be allowed to proceed when they are ready for bid. Delay in funding could force a delay in project completion by as much as one year, since IDOT avoids open construction during winter for motorist convenience.

FUNDING THE HIGHWAY CONSTRUCTION PROGRAM

Four things make IDOT finances unique among state agencies:

- IDOT prepares a multi-year construction program and updates it annually.
- IDOT's predominant funding comes from special dedicated funds and relatively little comes from General Funds.
- The major part of the budget is capital which is funded primarily by current revenues and relatively little by bonds.
- The majority of construction spending in a given year is from reappropriations, not new appropriations.

IDOT publishes a multi-year program every spring, updating the prior year's program, deleting the first year and adding a year to the prior year's program. The program consists of a brief description of the projects that IDOT says it will put under contract, i.e. accomplish, during the specified period. Along with many other tasks, a multi-year projection of the supporting funds' fiscal status is necessary to determine the affordable level of the program. An annual program, which is the first year component of the multi-year program, is published once appropriations are approved for the new fiscal year. The entire cost of an annual program is appropriated for the fiscal year.

Capital programs, in general, and especially highways, take several years to spend once they have been appropriated. Our standard estimate is that an annual program will spend over four years. Most of the program (more than 90 percent) is usually spent in three years, but some big projects, financial close-outs and local agreements can result in spending beyond three years. This pattern for a program does not mean that every project takes three to four years to spend. A project that takes one year to build and is started at

the end of the fiscal year or at the beginning of the next will spend in two or three fiscal years. Unspent appropriation balances are reappropriated in following fiscal years.

Once projects have begun, IDOT's options to limit spending are either delaying payment of bills or, in the extreme, ordering a halt to construction in progress. Neither of these options is desirable. Limiting the current year's program to reduce spending is not very effective because two-thirds or more of construction spending in any year is from past year programs. Since current program funding decisions affect the fiscal condition of the Road and Construction Funds years later, financial projections tend to be conservative in order to avoid having to use the extreme short-term spending controls available to IDOT.

Two basic methods are used by state transportation departments to fund the state-supported portion of construction programs. One method is to accumulate and encumber cash equal to the state's share of each project before the contract is executed. This method reduces uncertainty over the future ability to pay bills but also accumulates high cash balances. The other method, used by IDOT, is to program at levels so that estimated spending will be equal to estimated available revenues for the life of the program. This method is a more efficient use of highway user revenues but increases the risk from uncertainty over future revenues and spending.

To calculate the amount of state source funds that can be used to support the multi-year program and the annual component, a revenue forecast is made that extends one year beyond the MYP. The extra year is necessary because of the large cash impact of a program in its second year (roughly 50 percent of the original appropriation). Projections of base expenses such as debt service, other departments, maintenance costs of mowing and snow plowing, and engineering are then deducted. Revenue remaining after prior programs' expenditures are covered is available to support spending from future programs. Annual program levels are set to maintain financial viability and meet certain programmatic goals such as avoiding widely fluctuating annual levels.

BALANCES IN ROAD AND CONSTRUCTION FUNDS

Although cash flow budgeting for the highway construction program reduces the required level of fund balance (compared to cash encumbrance budgeting), reasonable available-fund balances are still required. The targeted balance at the end of each budget year cannot be zero, or minimal, for several reasons. One reason is intra-year cash flow. The construction season

results in a severe imbalance between monthly revenues and expenditures. Without a large balance carried over from the previous fiscal year, IDOT cannot pay all of its bills on time during the summer and early fall when construction expenditures are their largest. What are often referred to as the "Road Funds" are actually two separate funds in the state treasury, the Road Fund and the Construction Fund. Each fund has its own unique cash flow patterns within the year and each needs sufficient available balance. The Road Fund may temporarily transfer up to \$35 million to the Construction Fund to help alleviate a cash shortage such transfers must be repaid in the same fiscal year. However, this amount has never been sufficient in the past when the Construction Fund had insufficient balances to pay all bills on time. There also is no provision for the Construction Fund to come to the aid of the Road Fund. Thus, sufficient available balances must be maintained in each fund.

Unspent obligations typically exceed \$1 billion at the end of each month. Legally, IDOT (as are all state agencies) is required to pay any invoice submitted against an obligation balance within a short period of time. If invoices are submitted faster than budgeted, the fund available balance has to be sufficient to cover the unexpected spending.

The highway construction program is planned over a six- to seven-year horizon. Even the annual element of the program has a nearly five-year horizon, considering the nearly one year of advanced planning and four years to expend. Obviously, actual revenues and spending can turn out to be different from the plan over such a long horizon. Available balances must be sufficient to cover the impact from unexpected differences.

CHANGES TO ROAD FUND DIVERSION STATUTE

As part of the 1979 transportation financing legislation, several items were specifically earmarked as ineligible for Road Fund support in an effort to limit demands on the Road Fund for non-highway purposes. These diversions were phased out beginning in FY 1980 and continuing into FY 1984. Examples specifically excluded were:

FY 1980 Department of Public Health.

IDOT grants for reimbursement of one-half transit fare for students and reduced transit fare for the elderly.
Department of Central Management Services except for group insurance payments.
Judicial systems and agencies.

FY 1981 Illinois State Police, except for expenditures for the Division of State Troopers. IDOT grants for Intercity Rail Subsidies and Rail Freight Services.

FY 1982 Department of Central Management Services, except for awards made under the Workers Compensation Act.

FY 1984 Illinois State Police other than 40 percent of the funds appropriated for the Division of State Troopers. That is, only 40 percent of State Troopers allowed from the Road Fund.

An integral part of the 1989 MFT increase legislation was a limit (or "cap") on the Road Fund appropriations for the Secretary of State and State Police. Budget growth above the cap was to be supported by the General Revenue Fund. These limits were phased in, with the first year for the State Police cap in FY 1991 and for the Secretary of State in FY 1992. However, the Senate attached an extra \$51 million to the FY 1991 Road Fund appropriation for State Police in order to save the GRF a like amount. The schedule was followed in subsequent years, and in FY 1998, \$36 million was repaid to the Road Fund for the FY 1991 extra amount.

As part of Illinois FIRST, statutory limits to Road Fund appropriations for the Secretary of State were reduced. The allowed amount was to be \$50 million lower in each of FYs 2000 through 2003, and \$100 million lower in FY 2004 and thereafter. This schedule was followed in FY 2000 through 2002, but because of GRF shortages beginning in FY 2003, the law has been changed annually to allow more Road Fund appropriations for both the Secretary of State and State Police. The department assumes that these appropriations will remain at current levels indefinitely.

In the mid-1990s, the Governor's Bureau of the Budget, as it was named at the time, budgeted a \$15 million grant in IDOT to pay over to State Police in direct violation of the Road Fund statute. This appropriation was contested in court by a legislator and was reversed.

Since 1979, Governors, General Assemblies and others outside of state government have been concerned with non-highway uses of the Road Fund. While there has been broad-based support for dedicating user fees for highway improvements, this group of revenue sources under the Road Fund has come under increasing pressure in recent years.

Training and Staff Development at IDOT

The Training and Educational Development

Section provides quality leadership, managerial, technical and human resource training to the employees of IDOT. These services encourage all levels of personnel to improve their interpersonal, leadership, managerial and technical proficiency.

The Program Development (PD) Technical

Training series expands technical skills needed by employees to perform Phase I and Phase II tasks related to project development, and preparation of plans, specifications and estimates (PS&E) for scheduled lettings. Courses cover a broad curriculum of specific technical topics as well as overviews of policies and procedures for developing projects and preparing plans.

Employee Safety Unit Occupational Safety Training Programs are for employees who may be exposed to hazards within their job assignments. IDOT employees are trained on various health and safety issues that could affect their lives. Several of the programs are mandated by the U.S. Department of Labor and follow OSHA standards. Land Surveyors, Structural Engineers and Civil Engineers can earn required Professional Development Hours (PDH) for identified seminars.

Behavioral Risk Unit provides courses designed to train senior management, managers, supervisors and employees to recognize danger signals in order to intervene or seek assistance before problems escalate.

All training courses fully comply with mandatory federal and state educational requirements and incorporate adult education principles and guidelines.

TRAINING ACCOMPLISHMENTS FOR 2007-08

Reinstitution of Operations Training

Operations training of the IDOT Operations Workforce was temporarily suspended from 2003 to 2006 for budgetary reasons. It is back in place to help:

- Improve operational efficiency and corresponding productivity,
- Provide better communications between employees to help ensure a safer work environment, improve employee morale, and ensure compliance with existing policy guidelines.
- Reinforce positive public perception of the capability and efficiency of the IDOT Operations Workforce.

Additional Training Program for New Supervisors

This new initiative provided six one-day training sessions for approximately 100 new supervisors to learn core skills necessary to be successful in their roles.

Expanded Context Sensitive Solutions (CSS) Training

The IDOT Context Sensitive Solutions (CSS) training program is to:

- Develop awareness of the nature of CSS and its benefits to IDOT, FHWA and the communities served;
- Build partnerships and consensus with stakeholders through a constructive, collaborative decision-making process;
- Integrate the CSS process through all phases of a transportation project.

OSHA 30-Hour Training

This course targets employees who have a supervisory role, or oversee field operations or construction projects, and incorporates an understanding of multiple work-safety topics. Topics covered in this course are specific to job responsibilities of the trainee.



Illinois Motorist Opinion Survey Results – Summary for 2008

The Illinois Department of Transportation focuses long-term strategic objectives on customer needs and expectations. In addition to project-specific stakeholder meetings, hearings and discussions, IDOT since 2000 has employed several comprehensive customer survey tools designed to measure user satisfaction levels with various transportation services.

One of the most revealing and helpful tools in shaping long-range objectives is the annual Illinois Motorist Opinion Survey, a written questionnaire randomly distributed each year by mail to a random sample of Illinois licensed drivers. The survey is conducted and administered each year on behalf of IDOT by the University of Illinois-Springfield Survey Research Office. The survey is stratified among the nine IDOT regional districts to provide an accurate balance in responses and opinions from motorists throughout the state. The typical response rate for these surveys is from 35 to 40 percent, providing a sample of from 1,200 to 1,500 usable responses each year. The 2008 survey produced a sample of 1,310 responses, resulting in a sampling error of plus or minus 2.7 percent with a 95-percent confidence level. This means that results of this survey sample will be within 2.7 points of actual population characteristics 95 percent of the time.

Each year, the bulk of the survey is focused on static questions within four basic areas of IDOT transportation service – Roadway Maintenance and Traffic Flow; Road Repair and Construction; Traveler Services; and Employee Conduct. Motorists are asked a series of questions for each service area calling for their ratings of IDOT services on a five-point scale: Excellent, Good, Fair, Poor and Very Poor. Responses are then combined and calculated to provide an overall index of satisfaction for analysis, ranging from 1.0 to 5.0. The method also allows responses to be analyzed based on percentages of specific responses received – for instance, the percent of motorists rating a particular service “good” or “excellent.” These responses to repeating questions provide a benchmark from year to year by which to measure changes in overall motorist attitudes.

Each annual survey also includes a short series of questions that change from year to year to provide IDOT information on topical subjects of the moment, such as traffic safety, motorist communications, work-zone issues, user fees, or specific program or project results.

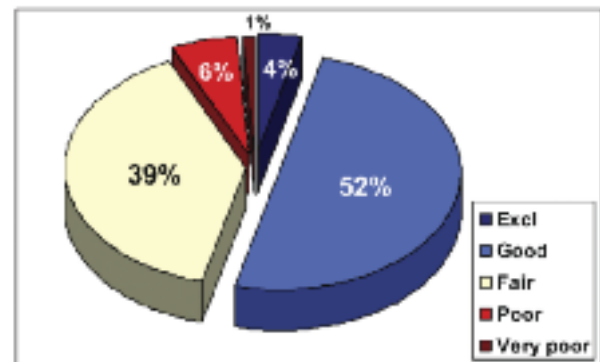
The following is a general summary of results in the four service areas. Readers should keep in mind that, while the survey attempts to describe the differences between state-maintained roads and locally maintained roads, and seeks information and satisfaction levels on

the state-maintained roadway system itself, the results should generally be considered as indicative of satisfaction levels with all roads in Illinois.

Motorist survey results since 2003 show that attitudes and satisfaction levels have remained consistent with few significant statistical fluctuations from year to year.

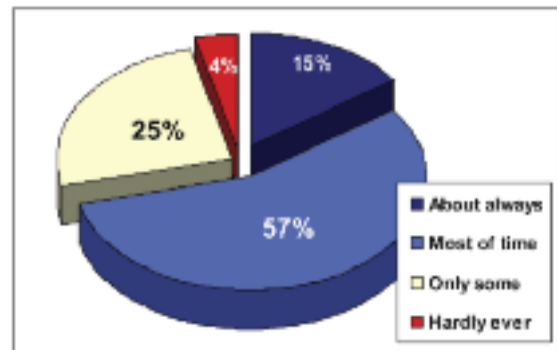
Overall Evaluations: Spring 2008

Rate overall job IDOT is doing

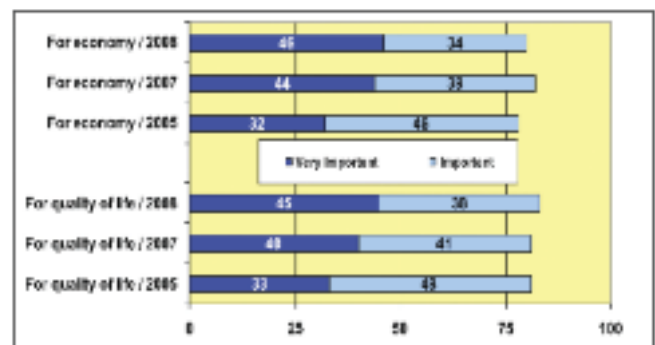


Overall Evaluations: Spring 2008

General Trust: How much of the time you trust IDOT to do what is right regarding transportation issues?



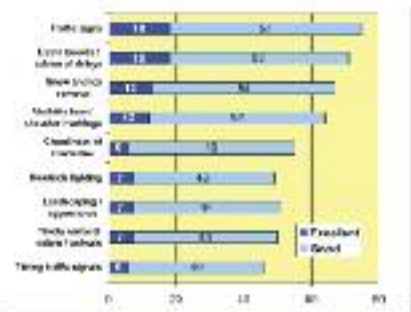
Assessed Importance of IDOT for Area's Economy and Area's Overall Quality of Life – 2005, 2007 and 2008



2008 Illinois Motorist Opinion Survey – Summary of Results

- Overall Job IDOT is Doing: 3.50 out of 5.0, and 54 percent rated “good” or “excellent.”
- How Often You Trust IDOT to Do the Right Thing: 3.83 out of 5.0, and 71 percent rated “just about always” or “most of the time.”

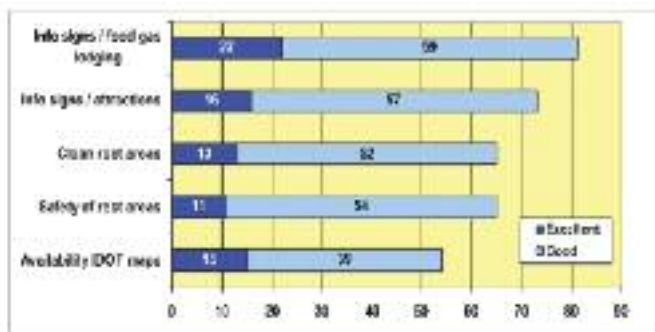
Maintaining Highways and Traffic Flow: Excellent and Good Ratings, Spring 2008



Roadway Maintenance and Traffic Flow (9 aspects surveyed):

- Overall Satisfaction Range: 3.35 to 3.88 out of 5.0.
- Overall Satisfaction Mean for the 9 aspects: 3.56 out of 5.0.
- Highest Rated Services: Traffic signs; Electronic message boards to advise of delays or traffic conditions; Snow and ice control and removal; Visibility of lane and shoulder markings.
- Lowest Rated Services: Roadside lighting and reflectors; Timing of traffic signals; Landscaping and overall appearance, Timely removal of debris from roadways.

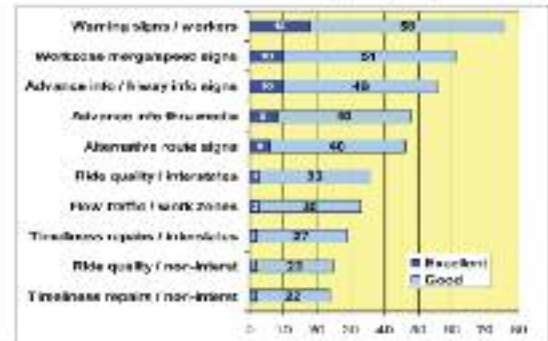
Traveler Services: Excellent and Good Ratings, Spring 2008



Traveler Services (5 aspects surveyed):

- Overall Satisfaction Range: 3.40 to 3.99 out of 5.0.
- Overall Satisfaction Mean for the 5 aspects: 3.72 out of 5.0.
- Highest Rated Services: Informational signs (blue service logo signs) at highway exits for food, gas and lodging; Informational signs (brown informational signs) about area tourist attractions and state parks; Cleanliness and safety of rest areas.
- Lowest Rated Service: Availability of free IDOT road maps.

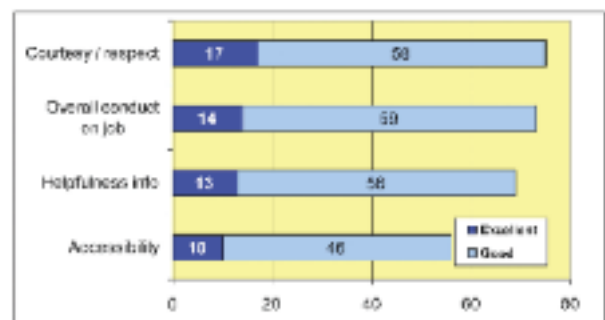
Road Repair and Construction: Excellent and Good Ratings, Spring 2008



Road Repair and Construction (10 aspects surveyed):

- Overall Satisfaction Range: 2.84 to 3.88 out of 5.0.
- Overall Satisfaction Mean for the 10 aspects: 3.26 out of 5.0.
- Highest Rated Services: Warning signs when workers are present; Work zone signs to direct merging traffic and alert motorists to reduce speed; and Advance information about projects.
- Lowest Rated Services: Timeliness of repairs on non-interstates; Ride quality and smoothness on non-interstates; Timeliness of repairs on interstates; and Flow of traffic through work zones.

Ratings of IDOT Employees: Excellent and Good Ratings, Spring 2008



Employee Conduct on the Job (4 aspects surveyed):

- Overall Satisfaction Range: 3.52 to 3.87 out of 5.0.
- Overall Satisfaction Mean for the 4 aspects: 3.74 out of 5.0.
- Highest Rated Aspects: Courtesy and respect shown to motorists; Overall conduct of employees on the job; Helpfulness of information provided by employees.
- Lowest Rated Aspect: Accessibility of employees when you need them.

Major Highway Projects

The Department has continued moving forward with the implementation of CSS during 2007. The year began with national recognition by way of a presentation at the annual meeting of the Transportation Research Board for the Department's CSS implementation. Work continued in the area of policy development, training, communication, and program implementation as outlined on the Department's CSS Balanced Scorecard.

Western Access

The region in the vicinity of O'Hare International Airport is experiencing increasing levels of congestion and delays as a result of regional and local travel demand in a job-rich area. The department seeks to improve access and mobility in the study area. The areas in the vicinity of the Elgin-O'Hare Expressway are industrial in nature but also contain commercial development and redevelopment opportunities. Residential properties also exist, which will require extensive community outreach. As part of the department's planning process, a significant public involvement program will be implemented in accordance with the department's Context Sensitive Solutions policy. Several alternatives are being studied, one alternative would be to extend the Elgin-O'Hare Expressway within the Thorndale Avenue corridor. Transit, bicycle and pedestrian improvements will also be part of the overall solution.

IDOT is the lead agency for engineering on this project of national and regional significance. SAFETEA-LU provided a combined total of \$140 million for the project. The FY 2009-2014 Proposed Highway Improvement Program included a total of \$164.3 million for these two projects. The adjusted FY 2009 program includes a combined total of \$15.1 million for protective land acquisition, preliminary engineering project managers, Phase I engineering for design, location and environmental studies and Phase II engineering for contract plans.

Phase I engineering is currently under way. It is anticipated that Tier I will be complete by 12/31/10 (preferred multi-modal transportation system concept for study area). Tier II is expected to be complete by 12/31/13 (detailed Phase I planning for priority sections of Tier I recommendation). The department will also be looking at the possibility of utilizing some of the SAFETEA-LU funds on interim projects which will provide short term congestion relief.

Prairie Parkway - Interstate 80 in Grundy County to Interstate 88 in Kane County

The Phase I engineering for the project is nearing completion with the Record of Decision (ROD) received September 19, 2008. The final design report is anticipated to be approved in spring 2009. Engineering, land acquisition and subsurface utility engineering are under

way. Two consultants have been selected to do Phase II engineering for contract plans from south of Illinois 71 to north of US 30.

- The feasibility study, corridor protection, Phase I engineering, subsurface utility engineering, land survey, Phase II engineering start-up and land acquisition have obligated \$41.4 million to date.
- Engineering for preliminary structure plans, geotechnical reports, subsurface utilities, and contract plans, land acquisition, and construction engineering are programmed in FY 2009 at a cost of \$42.6 million. Of this total, \$11.7 million for land acquisition and \$6.7 million for Phase I engineering has been obligated.
- Construction, utility adjustment and construction engineering of 5 miles of 4-lane freeway and bridges, interchanges at Illinois 71 and US 34 in Kendall County, reconstruction and widening of 3 miles of US 34 and Illinois 71 and land acquisition from I-80 to I-88 are programmed during FY 2010 2014 at a cost of \$193.1 million.

Peoria Eastern Bypass – Illinois 6 to Interstate 74

Phase I engineering using Context Sensitive Solutions policies, for the preparation of a corridor study/re-evaluation report, was started in March 2008 and is anticipated to take 2 years to complete at a cost of \$3 million. This study will review previously identified corridors along with other potential corridors to select a preferred corridor and alignment within the selected corridor. A public kick-off meeting was held on July 29, 2008 and another Community Advisor Group meeting will be held on February 19, 2009. This project is anticipated to be completed in two parts. All work necessary for the Corridor Study was negotiated as Part 1 of the Prime Agreement. It is expected that near the completion of the Corridor Study, Part 2 of the project, which includes all work required to complete the design report, environmental impact statement, and corridor protection map, will be negotiated as a planned supplement, which is not currently funded.

New Mississippi River Bridge at St. Louis

On Feb. 28, 2008, Illinois and Missouri reached agreement on the construction of a new I 70 Mississippi River Bridge at St. Louis. The new bridge will be located one mile north of the Martin Luther King Bridge in north St. Louis, the location originally approved by the Federal Highway Administration in 2001. It will carry I-70 traffic from Illinois to Missouri connecting I 70 at the I-55/I-64 interchange on the Illinois side of the river to I-70 near Cass Avenue on the Missouri side.

With Missouri as the lead state for environmental re-evaluation, design, construction and maintenance, the total project cost is estimated at \$640 million. Of the \$640 million cost, the total cost to construct the bridge is estimated at \$306 million with Illinois contributing \$213 million and Missouri contributing \$93 million (in

both monetary and in-kind contributions). Missouri's roadway connections to the bridge are estimated at \$70 million, and Illinois' roadway connections are estimated at \$264 million.

Though the original plan called for building two bridges to carry four lanes in each direction, the two states agreed to build one of the bridges at this time with design accommodations for a companion bridge to be built in the future. The new bridge will have two lanes in each direction with room to expand to three lanes. With this design, the new bridge is expected to handle traffic beyond 2030 based on traffic modeling.

Current status: Land acquisition and Phase II engineering for contract plans are under way. Design work for the bridge's main span and approaches has begun. Continuation of this work, as well as other pre-construction work, utilities, land acquisition and construction are included in the FY 2009-2014 Proposed Highway Improvement Program at a total estimated cost for the Illinois share of \$477 million, which includes \$1.1 million of TEA-21 High Priority Project funds. Construction could begin as early as 2010 and require four to six years to complete.

On Jan. 15, 2009, IDOT and MoDOT met with all railroads affected by the project. Consulting firms for Illinois and Missouri submitted formal design plans for railroad approval. IDOT met with appraisers that specialize in railroad work to begin the valuation process. Both IDOT and MoDOT continue to meet with contractors for the Alternate Technical Concept process. Six contractors have been prequalified for the Illinois Approach contract.

Project Details Update:

- 1) Property acquisition has begun in both Illinois and Missouri
- 2) Overall signing and ITS plans are being developed
- 3) The Memorandum of Agreement for archaeological testing has been executed by all parties. Phase III archaeological investigations (recovery) may begin.
- 4) The ICON and CIG meetings were conducted in late January.
- 5) D8 met with the newly assigned ICC representative in late January.
- 6) The January Project Newsletter is being prepared.

Updates on previous investments and design work:

Phase I engineering began in 1992 for location design and environmental studies for the new bridge and were completed at a cost of \$7.6 million. The Record of Decision was received in June 2001. On Nov. 5, 2008, IDOT received FHWA's concurrence that the 2001 Record of Decision is still applicable and that a supplemental Environmental Impact Statement is not

required. FHWA further stated that this project is in compliance with the National Environmental Policy Act (NEPA). The project received approval of the Final Access Justification Report (AJR) by FHWA in 2003. Approval of the revised AJR is anticipated within the next few months.

Current Funding Status: Funding totaling \$164 million is available for the project from the current federal transportation authorization, SAFETEA-LU. A total of \$313 million in state funds is outlined in the published 2009-14 Multi-Year Program for the Illinois share of the project, of which \$41 million is designated as the state match for SAFETEA-LU funding. Missouri currently has secured \$75 million in federal funds from SAFETEA-LU, and has earmarked \$88 million in state funding. The total estimated cost for the project is \$640 million. More information is available on the project website -- www.newriverbridge.org.

US 67 Corridor and Alton Bypass (Illinois 255)

The existing US 67 corridor extends nearly 220 miles from Interstate 280 at Rock Island to Interstate 270 south of Alton. This includes Illinois 255, known as the Alton Bypass. Currently, \$737 million in work has been completed or is in progress for the 2-lane and 4 lane corridor improvements, \$27.0 million is programmed in FY 2009 and \$102.2 million is programmed during FY 2010-2014. The estimated unfunded cost to complete the remaining 4-lane sections from Macomb southward to the Alton Bypass is from \$1.7 billion to \$1.9 billion. US 67 from Rock Island to Monmouth will remain 2 lanes as it closely parallels Interstate 74, which is approximately 15 miles to the east.

The \$737 million of work completed or in progress includes:

- \$14.3 million for the US 67 relocation from Godfrey to Alton; \$120 million for the Clark Bridge; \$21 million for the Illinois 143 relocation in Alton.
- \$24.8 million for additional lanes in Macomb.
- \$36.8 million worth of 2 lane improvements from Rock Island to Monmouth.
- \$10.4 million for completion of Phase I engineering for the proposed 4-lanes from Macomb to Interstate 270 south of Alton.
- \$441.8 million for the completion of 4-lanes for 31 miles from Monmouth to Macomb, 21.4 miles from east of the Concord/Arenzville Road to south of the Scott/Greene county line, 13.9 miles from Fosterburg Road to Interstate 270.
- \$13.1 million for the on-going construction of 2.6 miles from Seminary Road to Fosterburg Road.
- \$54.8 million for Phase II engineering, land acquisition and utility adjustments for sections not yet constructed or under construction from Macomb to Seminary Road.



US 51 – Decatur to Centralia

Currently, \$77.3 million of work has been completed to upgrade US 51 to four lanes from south of Decatur, just north of Elwin, to Centralia. This work includes the completion of Phase I engineering for location, environmental and design studies from Decatur to south of Pana and construction of 18.2 miles of 4-lane from north of Elwin to 1.5 mile north of Assumption.

Phase II engineering for contract plans and some land acquisition for the section 1.5 miles north of Assumption to 0.4 mile south of the Christian/Shelby County line south of Pana are under way at a cost of \$4.1 million. Continuation of the Phase II engineering and land acquisition is programmed in FY 2009 at a cost of \$1.1 million and an estimated \$133 to \$146 million to complete the four-lanes to south of Pana is not currently funded for this section.

Phase I engineering for location, environmental and design studies utilizing Context Sensitive Solutions (CSS) from south of Pana to Centralia is under way at a cost of \$3.5 million. Continuation of this Phase I engineering is programmed in FY 2009 at a cost of \$2.5 million and in FY 2010-2014 at a cost of \$3 million.

Construction of 4 lanes for 57 miles and pre-construction work from the Shelby County line south of Pana to Centralia are not currently funded at an estimated cost ranging from \$477 million to \$525 million.

US 50

Interstate 64 at Illinois 158 in O'Fallon to Interstate 57 West of Salem

- US 50 is a two-lane highway (60.2 miles) from Interstate 64 at Illinois 158 in O'Fallon to Interstate 57 west of Salem except at interchanges with Illinois 160 north of Trenton, with County Highway 11 (Jamestown Road) north of Breese, and with Interstate 57 west of Salem, where US 50 is a four-lane divided highway through these areas.
- Phase I engineering for location studies and preparation of an Environmental Impact Statement (EIS) for proposed FAP 409 Supplemental Freeway (US 50) from Illinois 158/Interstate 64 to Illinois 127 north of Carlyle was approved in 1978. The design report and EIS are no longer valid and would require re-evaluation to select an approved alignment. The proposed section from Illinois 158 at Interstate 64 east of O'Fallon to Illinois 4 in Lebanon in St. Clair County, in particular with its major environmental impacts in the Silver Creek wetlands area, may not be approved in the EIS re-evaluation. A west end termini at Illinois 4 in Lebanon would eliminate these environmental impacts.
- All structures for an access-controlled four-lane divided highway from Summerfield Road east of Lebanon to Illinois 127 north of Carlyle have been built on the new alignment.
- Approximately 95 percent of the right-of-way parcels have been acquired for a four-lane divided highway from Interstate 64 to Illinois 127 north of Carlyle.

- The estimated cost to complete all engineering, land acquisition, utility adjustments and construction for a four-lane divided highway ranges from \$856 to \$947 million.

Interstate 57 West of Salem to the Indiana state line at Vincennes

- US 50 is a two-lane highway (68.6 miles) from Interstate 57 west of Salem to east of Lawrenceville except at interchanges with Interstate 57 west of Salem and east of Flora at the US 45 intersection where it is a four-lane divided highway. US 50 is a four-lane freeway (7.4 miles) from east of Lawrenceville to the Indiana state line at Vincennes, Indiana.
- Phase I engineering studies were completed for FAP 409 Supplemental Freeway (US 50) from Salem to the Indiana state line between 1969 and 1973. These studies are no longer valid and new studies would be required.
- Right-of-way was acquired between Xenia and the Indiana state line for the expansion of US 50 to a four-lane divided highway.
- A feasibility study for upgrading US 50 to four lanes from Interstate 57 west of Salem to east of Illinois 1, approximately 74 miles, was completed in 2008 at a cost of \$1.7 million.
- The estimated cost to complete all engineering, land acquisition, utility adjustments and construction for a four-lane divided highway ranges from \$728 to \$800 million. The cost range was developed from cost estimates in the feasibility study, which used 25% contingency and a base year of 2007. Depending on the year of construction and inflation these costs are only a rough estimate.

US 34

US 34 from east of Carman Road to US 67 in Monmouth.

The estimated cost to complete four lanes from Carman Road to US 67 in Monmouth ranges from \$324 million to \$355 million.

- Phase I engineering is complete.
- The start of archaeological surveys and land acquisition are under way.
- Utility adjustments and miscellaneous pre-construction work are funded during FY 2010-2014 at a cost of \$1 million.
- The pre construction and construction costs that are not funded are estimated to range from \$311 million to \$343 million.

US 20 - GALENA TO FREEPORT

US 20 from Illinois 84 northwest of Galena to Bolton Road west of Freeport.

- 46 miles of four lane freeway.
- Phase I engineering and an Environmental Impact Statement (EIS) are complete.
- US 20 from Illinois 84 northwest of galena to Mount Hope Road / Horseshoe Mound Interchange south-east of Galena (Galena Bypass).
 - 6.4 mile section.
 - Phase II engineering and land acquisition are under way.
 - Construction and the remaining pre-construction activities are estimated to cost \$246 to \$271 million and are not funded.
- US 20 from southeast of Galena to Bolton Road west of Freeport.
 - 43.3 mile section.
 - The cost to construct is estimated at \$899 to \$989 million and is not funded.

US 20 from Bolton Road west of Freeport to west of Springfield Road east of Freeport (Freeport Bypass). More than 10 miles to north of Freeport of four-lane freeway.

- 4-mile section from Bolton Road to west of Illinois 26
 - Phase II engineering and land acquisition under way.
 - The completion of Phase II engineering, land acquisition, utility adjustments and four-lane construction are estimated to cost \$38.2 million and are not funded.
- Two 3-mile sections east of Illinois 26
 - Construction completed. Construction included interchange reconstruction at Illinois 75 and additional lanes for 6.1 miles from east of Illinois 26 to west of Springfield Road.



IDOT Mentor-Protégé Program Aims to Build Capacity of Small and Minority Contractors

Effort teams experienced contractors with small firms; Goal is to increase percentage of contracts that go to DBEs

IDOT in 2008 continued building its groundbreaking Mentor-Protégé Program, a public-private partnership designed to help build the capacity of small, minority-owned companies to succeed in business and to successfully compete for larger road construction projects.

The federally approved pilot program compensates mentor companies for administrative expenses associated with the effort and teams larger, experienced firms with contractors that are certified as a Disadvantaged Business Enterprise (DBE) in Illinois.

The Blagojevich administration and IDOT, through its Office of Business and Workforce Diversity have moved aggressively to break down barriers that typically prevent or hinder small and minority contractors from succeeding in the road construction field. IDOT raised the bar on its target for inclusion, increasing its statewide goal for the percentage of contracts going to DBEs from 12 percent in 2003 to the current goal of 22.7 percent.

In addition, IDOT has upgraded and expanded the supportive services it offers to DBEs to enable them to compete for contracts. Under this administration, IDOT opened walk-in DBE Resource Centers connected with major transportation projects in Chicago and East St. Louis. Previously, contractors seeking assistance had to travel to Springfield.

Under the new program, once a mentor firm and protégé are teamed up, they will jointly establish a development plan that outlines their goals and expectations, sets benchmarks and creates a monitoring and reporting mechanism that will be used to judge the effectiveness of the effort.

The plan may include training in the following areas: business planning, recordkeeping, technical assistance and use of equipment, capital formation, loan packaging, financial counseling and bonding.

The mentor and protégé will work together toward a goal of winning contracts for the protégé, and the two contractors will have the option of forming joint ventures to bid on projects.



To qualify for the program, the mentor firm must have at least five years' experience as an IDOT contractor and the protégé firm must have at least three years highway construction experience and must also be certified as a DBE through the Illinois Unified Certification Program.

Progress in the program will be overseen by IDOT's Mentor-Protégé Oversight Committee.

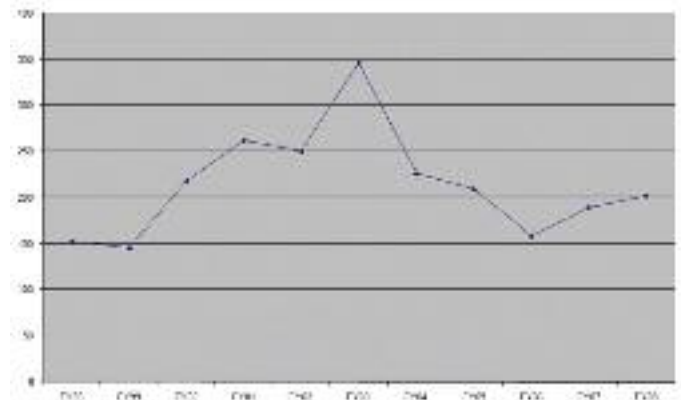
The new program has been approved by the U.S. Department of Transportation's Federal Highway Administration as a pilot project through 2010. It is offered in four IDOT Districts around the state, including D-1 in the Chicago area, D-4 based in Peoria, D-6 based in Springfield, and D-8 based in Collinsville.

IDOT AT A GLANCE

How to Learn More About Mentor-Protégé Program

For more information, interested parties should go to the IDOT Web site at: www.dot.state.il.us/obwd/mentor.html

Number of Safety Improvements Accomplished by Year



IDOT AT A GLANCE

Additional Traffic Safety Measures for Teen Drivers Designed to Save Lives

Additional traffic safety measures targeting teen drivers do the following:

- Double the amount of time a teen must have behind the wheel before receiving their license;
- Ban teen drivers from carrying more than one passenger for the first six months after receiving his or her license;
- Ban cell phone use while driving by those under 18;
- Require drivers under 18 to make sure that their teen passengers are buckled properly in the front and back seats;
- Raise the age that children must be in booster seats from 4 to 8.
- Increase penalties for drivers over age 21 who transport a child under age 16, while impaired;
- Require chemical testing for those arrested for hit-and-run;
- Enable harsher sentencing for causing a death while driving impaired;
- Enact tougher penalties for driving on a DUI-revoked license; and
- Allow for expanded use of DUI funds by local agencies.

IDOT AT A GLANCE

Additional Measures to Deter Impaired Driving

Additional anti-impaired-driving measures include:

- Harsher penalties for repeat DUI offenders, includes making it a felony offense if convicted of DUI three or more times, with no probation for a fourth or fifth conviction;
- Chemical testing required for those arrested for hit-and-run;
- Harsher sentencing for causing a death while driving impaired;
- Tougher penalties for driving on a DUI-revoked license.
- Creation of the Illinois Alcohol Abuse Task Force, to present recommendations on improved coordination of the alcohol abuse, prevention and enforcement efforts by state agencies and organization, improved information sharing, and improved use of state resources.

IDOT Overhauls Communications and Education to Reduce Traffic Congestion

Chicago holds the dubious title of being the second most congested city in the nation. U.S. Department of Transportation studies show that commuters nationwide spend more than 100 hours per year traveling to work... more than the average two weeks of vacation time. Equally important, nearly 43 percent of our nation's energy resources go into transportation – adding to our dependence on foreign oil.



In light of this, IDOT is working hard to identify practical and economical solutions to this problem. One such solution is a combined effort led by IDOT, working with transportation service boards and the Illinois Tollway Authority, to promote the use of public transportation through a creative marketing campaign theme: Drive Less. Live More.

This campaign urges drivers to try public transportation and encourages the benefits – such as being able to read the morning newspaper on the train, or making it home in time for dinner because the commuter is not stuck in traffic. Features of this campaign include a website with a gas calculator, along with radio advertising and informational brochures.

IDOT also has launched what is dubbed the “arterial DMS project”. By placing dynamic message system (DMS) signs approximately one mile ahead of typically congested highway entrances, commuters are able to choose their commuting routes based on posted, up-to-the-minute travel times along with suggested alternate routes.

IDOT also operates www.GettingAroundIllinois.com and www.ILTrafficAlert.com. Both of these services are free to users and enable viewers to obtain up-to-the-minute information on traffic conditions, roadway and weather conditions and many other travel aids. GettingAroundIllinois features a customized travel program. Users can simply type in starting and ending points for their planned travel route, as well as destinations one would like to see along the way (such as restaurants, museums or other businesses) and a customized itinerary is presented. This helpful site also contains real time information about road conditions, road construction and where to find E-85 stations.

IDOT's new www.ILTrafficAlerts.com site allows Chicago area travelers to receive customized e-mail alerts based on the routes and time of day the commuter selects in registering for the service. Working in conjunction with the Illinois Tollway Authority, this program covers more than 70 Chicago-area highways.